

A central institution to carry on the important work of aiding in the construction of the new China and of realizing a new order in East Asia was created on December 16, 1938 with the inauguration

of the China Affairs Board. Need had been felt for a powerful administrative organ to direct the task of development in China, a task with which the very existence of Japan is allied and which

naturally includes problems of the utmost importance.

Last year, with the success of the military operations at Hankow, the China Affair entered a new phase wherein the work of reconstruction was to be undertaken side by side with military operations. Previously, concrete plans for the creation of a central administrative organ had been seriously discussed by the Army, Navy and Foreign Departments. Early in October, the Cabinet formally decided on the establishment of the institution now known as the China Affairs Board, which came into being on December 16th upon the promulgation of Imperial Ordinances concerning the Organization of the China Affairs Board, and concerning Amendments on the Organization of the Foreign Office.

As an explanation of the purpose with which the Board was created, we quote here from the address delivered by the then Prime Minister Prince Konoe on the occasion of its inauguration. Prince Konoe stated:

"The ultimate objective of the present hostilities, as has been enunciated on various occasions, does not stop with victory in arms but rather lies in the reconstruction of China and the establishment of a new order in the Far East based on the principle of cooperation between Japan, Manchoukuo and China. The overthrow of the anti-Japanese, pro-Comintern Regime of Chiang Kai-shek must lead the people of China to recognize the rationality and justice of cooperating with Japan, politically, economically and culturally.

"In pursuance of this task the China Affairs Board has been created. The Board endeavours, on the one hand, to coordinate and unify the various forces at home directed toward the consummation of the achievements of the China Affair and, on the other, to keep in close touch through its Liaison Division

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with the actual developments in China. Creation of the China Affairs Board will enable the Government to conduct more efficiently the planning and execution of construction work in Fast Asia and will thereby hasten the attainment of the ultimate objective of the present conflict."

Thus, the China Affairs Board serves as a connecting link between the Government and the operations in China, presenting a united front in the prosecution of national policies. Created in connection with and existing for the duration of the China Affair, the new Board is presided over by the Prime Minister. Exclusive of purely diplomatic affairs, its business comprises (1) political, economic and cultural problems relating to the China Affair; (2) the study and investigation of governmental policies to be taken in regard to the matters coming under the above category; (3) supervision of the operations of the companies established under special laws for the purpose of doing business in China as well as the control of the business transactions in China by persons who are so engaged; (4) the maintenance of unity in the administrative affairs of the different Government Offices relating to China.

Accordingly, the activity of the Board covers a wide field, political, economic and cultural, in which is included the problems of cooperation with the new Governments in China, the supervision of the North China Development Company and the Central China Promotion Company and matters relating to the culture and welfare of the Chinese people. In its organization, the Board is divided into various Bureaus, besides the President's Secretariat, including the Political, Economic, Cultural and Technical Bureaus. The Prime Minister is the President ex officio and is assisted by the Foreign, Finance, Army and Navy Ministers as Vice-Presidents. The Director-General of the Board is Lieutenant-General Heisuke Yanagawa and under him are fifty officers and sixty clerks.

As the result of the taking over of cultural work in China by the China Affairs Board, the Bureau in the Foreign Office which hitherto had charge of this work has changed its name and will devote itself to international cultural affairs, excluding those in China. Other minor changes took place in the organization of the Foreign Office and of the Department of Overseas Affairs.

As for the place where the Liaison Division of the Chine Affairs Board is to be established and the area within which it will function, these will be chosen and designated by the Prime Minister.—It may be added that there is additionally a Liaison Committee whose duty it is to promote unity among the different Government Departments with reference to the undertakings of the China Affairs Board.

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STATEMENT BY THE PRIME MINISTER, PRINCE FUMIMARO KONOE

December 22, 1938

The Japanese Government is resolved, as has been clearly set forth in its two previous statements issued this year, to carry on the military operations for the complete extermination of the anti-Japanese Kuomintang Government, and at the same time to proceed with the work of establishing a new order in Mast Asia together with those far-sighted Chinese who share in our ideals and aspirations.

The spirit of renaissance is now sweeping over all parts of China and enthusiasm for reconstruction is mounting ever higher. The Japanese Government desires to make public its basic policy for adjusting relations between Japan and China, in order that its intentions may be thoroughly understood both at home and abroad.

Japan, China and Manchoukuo will be united by the common aim of establishing the new order in East Asia and of realizing a relationship of neighbourly amity, common defence against Communism, and economic cooperation. For that purpose it is necessary first of all that China should cast aside all narrow and prejudiced views belonging to the past and do away with the folly of anti-Japanism, and resentment regarding Manchoukuo. In other words, Japan frankly desires China to enter of her own will into complete diplomatic relations with Manchoukuo.

The existence of the Comintern influence in East Asia can not be tolerated. Japan therefore considers it an essential condition of the adjustment of the Sino-Japanese relations that there should be concluded an anti-Comintern agreement between the two countries in consonance with the spirit of the anti-Comintern Agreement between Japan, Germany and Italy. And in order to ensure the full accomplishment of her purpose, Japan demands, in view of the actual circumstances prevailing in China, that Japanese troops be stationed, as an anti-Communist measure, at specified points during the time the said agreement is in force, and also that the Inner Mongolian region be designated as a special anti-Communist area.

As regards economic relations between the two countries, Japan does not intend to exercise economic monopoly in China, nor does

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she intend to demand of China to limit the interests of those third Powers, who grasp the meaning of the new Mast Asia and are willing to act accordingly. Japan only seeks to render effective the cooperation and collaboration between the two countries. That is to say, Japan demands that China, in accordance with the principle of equality between the two countries, should recognize the freedom of residence and trade on the part of Japanese subjects in the interior of China, with a view to promoting the economic interests of both peoples; and that, in the light of the histograph and economic relations between the two mations, China should carend to Japan facilities for the development of China's natural resources, especially in the regions of North China and Inner Mongolia.

The above gives the general lines of what Japan demands of China. If the true object of Japan in conducting the present wast military campaign be fully understood, it will be plain that what she seeks is neither territory nor indemnity for the costs of military operations. Japan demands only the minimum guarantee needed for the execution by China of her function as a participant in the establishment of the new order.

Japan not only respects the sovereignty of China, but she is prepared to give positive consideration to the questions of the abolition of extra-territoriality and of the renaition of concessions and settlements—matters which are necessary for the full independence of China.

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CERTIFICATE

re TOKYO GAZETTE

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- 1. That I am Chief of the Document Division of the International Prosecution Section, C.H.Q., S.C.A.P., and as such have possession, custody and control of original or copies of captured enemy documents obtained by the said Section.
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Dated: 12 Aug 1946

/s/ E. E. Danly E. E. DANLY

I further certify that Document 1505 contains twelve monthly issues of the "Tokyo Gazette", to wit, January to December 1939.

Dated: 15 Jug 1946

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